

## **EXHIBIT D**

**AFFIDAVIT**

State of Indiana

County of Marion

NAME OF INSURED: MARTIN L HOVENKOTTER

POLICY NUMBER: H1892042

POLICY DATES: 09-16-06 TO 03-16-07

Angela Gilbreath being duly sworn on oath says she is an archivist of  
SAFECO Insurance Company of Illinois and that she has compared the  
attached copies of the insurance policy number listed above and  
endorsements with the original records of the policy of insurance and  
endorsements contained in the Company's files and that the same is a true  
and exact recital of all the provisions in the said original policy and  
endorsements attached thereto.

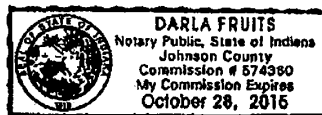
*Angela Gilbreath*

Subscribed and sworn to before me

on January 14, 2009.

*Darla Fruits*

Notary Public



**Hovenkotter0010**

**Safeco Insurance**

**THIS IS NOT A BILL.**  
When money is due, you will receive a bill in a separate mailing.

BGI AGENCY NETWORK INC  
801 UNION ST STE 1000  
SEATTLE WA 98101-4084

OCTOBER 9, 2006

Policy Number: H1892042  
24-Hour Claims: 1-800-332-3226  
Policy Service: (206) 577-6807  
Online Account Services: [www.safeco.com](http://www.safeco.com)

MARTIN L HOVENKOTTER  
24609 NE 22ND ST  
REDMOND WA 98074-3308

|||||

IDENTIFICATION CARDS ENCLOSED

We changed your automobile policy as follows:

Your driving information, including any violations or accidents, has been updated.

2006 MAZDA SPEED 6 AWD  
- Vehicle is added.

Your discounts have changed. Please read the enclosed policy declarations page carefully.

This change is effective October 5, 2006. Please place this letter with your Insurance policy. Information on coverages and limits can be found on the revised Declarations page, enclosed.

The additional premium for this change is \$817.82. The billing for this amount will be explained on the next statement for your account number 7221-1892042. A \$376.20 payment for the outstanding bill on your account will be deducted on October 16, 2006.

If you have any questions or wish to make any changes to your policy, you can do so by calling your agent at (206) 577-6807.

We appreciate the opportunity to serve you. Thank you.

Personal Lines Underwriting

SAFECO INSURANCE COMPANY OF ILLINOIS  
P O BOX 34920, SEATTLE, WA 98124

OC-429/EP 5/06

**Hovenkotter0011**

**Safeco Insurance**

POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS**

**NAMED INSURED:**  
**MARTIN L HOVENKOTTER**  
 24609 NE 22ND ST  
 REDMOND WA 98074-3308

**POLICY CHANGE**  
**CHANGED EFFECTIVE:** OCT. 5 2006  
**POLICY PERIOD FROM:** SEPT 16 2006  
**TO:** MAR. 16 2007

at 12:01 A.M. standard time at  
 the address of the insured as  
 stated herein.

**AGENT:**  
**BGI AGENCY NETWORK, INC.**  
 601 UNION ST STE 1000  
 SEATTLE WA 98101-4064

**AGENT TELEPHONE:**  
 (206) 577-6807

**ALL DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER,  
**IN HOUSEHOLD** KIRK R HOVENKOTTER

**RATED DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER,  
 KIRK R HOVENKOTTER

**2003 INFINITI FX45** 4 DOOR ID# JNRBS08W73X401083

**2005 TOYOTA SCION TC** 3 DOOR ID# JTKDE177650053376

Insurance is afforded only for the coverages for which limits of liability or  
 premium charges are indicated.

COVERAGES	2003 INFI LIMITS	PREMIUMS	2005 TOYT LIMITS	PREMIUMS
<b>LIABILITY:</b>				
<b>BODILY INJURY</b>	\$250,000 Each Person \$500,000	\$ 279.00	\$250,000 Each Person \$500,000	\$ 279.00
<b>PROPERTY DAMAGE</b>	Each Occurrence \$100,000 Each Occurrence	166.60	Each Occurrence \$100,000 Each Occurrence	166.60
<b>PERSONAL INJURY PROTECTION</b>	\$10,000	47.50	\$10,000	47.50
<b>UNDERINSURED MOTORISTS:</b>				
<b>BODILY INJURY</b>	\$250,000 Each Person \$500,000	34.60	\$250,000 Each Person \$500,000	34.60
<b>PROPERTY DAMAGE</b>	Each Accident \$100,000 Each Accident	16.00	Each Accident \$100,000 Each Accident	16.00
<b>DEDUCTIBLE:</b>	SEE YOUR POLICY		SEE YOUR POLICY	
<b>COMPREHENSIVE</b>	Actual Cash Value Less \$250 Deductible	82.60	Actual Cash Value Less \$250 Deductible	58.80
<b>COLLISION</b>	Actual Cash Value Less \$500 Deductible	239.30	Actual Cash Value Less \$500 Deductible	193.60
<b>ADDITIONAL COVERAGES:</b>				
<b>TOWING &amp; LABOR</b>	\$50 Per Day/\$1000 Max	5.00	\$50 Per Day/\$1000 Max	5.00
<b>LOSS OF USE</b>	\$50 Per Day/\$1000 Max	25.00	\$50 Per Day/\$1000 Max	25.00
<b>TOTAL</b>		\$ 895.60	<b>TOTAL</b>	\$ 826.10

-CONTINUED-

P O BOX 34920, SEATTLE, WA 98124

SA-1697/EP 9/90

Page 1 of 3

DATE PREPARED: OCT. 9 2006

**Hovenkotter0012**

**Safeco Insurance**

POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS**

(CONTINUED)

**NAMED INSURED:**  
**MARTIN L HOVENKOTTER**  
 24609 NE 22ND ST  
 REDMOND WA 98074-3308

**POLICY CHANGE**  
**CHANGED EFFECTIVE:** OCT. 5 2006  
**POLICY PERIOD FROM:** SEPT 16 2006  
**TO:** MAR. 16 2007

at 12:01 A.M. standard time at  
 the address of the insured as  
 stated herein.

**AGENT:**  
**BGI AGENCY NETWORK, INC.**  
 601 UNION ST STE 1000  
 SEATTLE WA 98101-4064

**AGENT TELEPHONE:**  
 (206) 577-6807

**ALL DRIVERS IN HOUSEHOLD** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER, KIRK R HOVENKOTTER

**RATED DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER, KIRK R HOVENKOTTER

**1988 BMW M3 2 DOOR SEDAN ID# NBSAK0308J2195905**

**2006 MAZDA SPEED 6 AND 4 DOOR SEDAN ID# JM16612L761105953**

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	1988 BMW LIMITS	PREMIUMS	2006 MAZDA LIMITS	PREMIUMS
<b>LIABILITY:</b>				
BODILY INJURY	\$250,000 Each Person \$500,000	\$ 279.00	\$250,000 Each Person \$500,000	\$ 279.00
PROPERTY DAMAGE	Each Occurrence \$100,000 Each Occurrence	166.60	Each Occurrence \$100,000 Each Occurrence	166.60
PERSONAL INJURY PROTECTION	\$10,000	47.50	\$10,000	47.50
<b>UNDERINSURED MOTORISTS:</b>				
BODILY INJURY	\$250,000 Each Person \$500,000	34.60	\$250,000 Each Person \$500,000	34.60
PROPERTY DAMAGE	Each Accident \$100,000 Each Accident	16.00	Each Accident \$100,000 Each Accident	16.00
DEDUCTIBLE:	SEE YOUR POLICY		SEE YOUR POLICY	
COMPREHENSIVE	Actual Cash Value Less \$250 Deductible	57.50	Actual Cash Value Less \$250 Deductible	90.80
COLLISION	Actual Cash Value Less \$500 Deductible	116.10	Actual Cash Value Less \$500 Deductible	254.40
<b>ADDITIONAL COVERAGES:</b>				
TOWING & LABOR		5.00		5.00
LOSS OF USE	\$50 Per Day/\$1000 Max	25.00	\$50 Per Day/\$1000 Max	25.00
	<b>TOTAL \$</b>	<b>747.30</b>	<b>TOTAL \$</b>	<b>918.90</b>

-CONTINUED-

P O BOX 34920, SEATTLE, WA 98124

SA-1897/EP 9/00

Page 2 of 3

DATE PREPARED: OCT. 9 2006

**Hovenkotter0013**

**Safeco Insurance**

POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS  
(CONTINUED)**

<b>TOTAL EACH VEHICLE:</b>	<b>2003 INFI</b>	<b>\$ 895.60</b>
	<b>2005 TOYT</b>	<b>826.10</b>
	<b>1988 BMW</b>	<b>747.30</b>
	<b>2006 MAZD</b>	<b>918.90</b>

**TOTAL PREMIUM FOR ALL VEHICLES ..... \$ 3,387.90**

**CONGRATULATIONS! YOU SAVED \$661.60. YOU HAVE QUALIFIED FOR THE FOLLOWING  
DISCOUNTS: Multi-Car**

SA-1598/EP 9/90

Page 3 of 3

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**Hovenkotter0014**



**THIS IS NOT A BILL.**  
When money is due, you will receive a bill in a separate mailing.

BCI AGENCY NETWORK INC.  
601 UNION ST STE 1000  
SEATTLE WA 98101-4064

SEPTEMBER 18, 2006

Policy Number: H1892042  
24-Hour Claims: 1-800-332-3226  
Policy Service: (206) 577-6807  
Online Account Services: [www.safeco.com](http://www.safeco.com)

MARTIN L HOVENKOTTER  
24609 NE 22ND ST  
REDMOND WA 98074-3308



IDENTIFICATION CARDS ENCLOSED

Welcome to Safeco!

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new automobile policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles (your out-of-pocket costs) that apply and the effective date of your policy. If, after reading your policy, you have any questions or want to find out about discounts that may apply to your policy, please call (206) 577-6807.

The premium for your policy is \$2,469.00 for the September 16, 2006 to March 16, 2007 policy term. If your billing statement is not enclosed, it should arrive soon in a separate mailing. When you receive it, please review the statement carefully to see the amount and date of your next payment. Please also check to ensure that your requested payment plan has been processed accurately.

For added convenience, visit [www.safeco.com](http://www.safeco.com) and make use of our automated services available to you including, but not limited to:

- Make a payment by online check, or credit card.
- Review your billing history.
- Change your billing due date.
- View your policy documents.
- Order a copy of your policy and/or insurance ID cards.
- Report to us a name change, or change of address.

For all other assistance please call your agent at (206) 577-6807.

Thank you for your business. We look forward to serving you.

PLEASE SEE REVERSE  
SAFECO INSURANCE COMPANY OF ILLINOIS  
P O BOX 34920, SEATTLE, WA 98124

**Hovenkotter0015**

Sincerely,



John Ammendola  
Senior Vice President  
Safeco Personal Insurance

1033X

CC-430EP 5/68  
G1

**Hovenkotter0016**





## Consumer Privacy Statement

Safeco appreciates the trust you place in us when you purchase insurance from one of our companies. We are committed to protecting your nonpublic personal information ("personal information") and we value you as a customer.

To learn more about how Safeco collects and uses your personal information, please read the following notice.

### Safeco's sources of information about you

We collect personal information about you from different sources, including:

- The information you provide on applications or other forms (such as your name, address and Social Security number);
- Your transactions with us, our affiliates or others (such as your payment history and claims information);
- The information we receive from a consumer reporting agency or insurance support organization (such as your credit history, driving record or claims history); and
- Your independent insurance producer (such as updated information pertaining to your account).

### Safeco's use of your personal information

We only disclose personal information about our customers and former customers as permitted by law. Generally, this includes disclosures to third parties to effect, administer or enforce your transactions with us, or in connection with servicing your insurance policy. These third parties may include independent insurance producers authorized to sell Safeco insurance products, independent contractors (such as automobile repair facilities and property inspectors), independent claims representatives, insurance support organizations, auditors, attorneys, courts and government agencies. We may also disclose your personal information to other financial institutions with whom we have joint marketing agreements. Before disclosing your personal information, we require these parties to enter into an agreement with us that includes a confidentiality provision.

We may also share information about our transactions (such as payment history and products purchased) and experiences with you (such as claims made) within our Safeco family of companies.

Safeco does not sell your personal information to others and we do not provide your information to third parties for their own marketing purposes.

### Independent Safeco Insurance Agents

The independent insurance agents authorized to sell Safeco products are not Safeco employees and not subject to Safeco's Privacy Policy. Because they have a unique business relationship with you, they may have additional personal information about you that Safeco does not have. They may use this information differently than Safeco. Contact your Safeco distributor to learn more about their privacy practices.

### Information about Safeco's web site

If you have internet access and want more information about our web site specific privacy and security practices, click on the Privacy Policy link on [www.safeco.com](http://www.safeco.com).

**Hovenkotter0017**

**Protecting your personal information from unauthorized access**

We maintain physical, electronic and procedural safeguards to protect your personal information. Our employees are authorized to access customer information only for legitimate business purposes.

**Your medical information**

If Safeco obtains medical information about you, it is done only in connection with specific claims. We will not use or share personally identifiable medical information for any purpose other than the administration of your claim, or as otherwise disclosed to you when the information is collected.

**State Privacy Laws**

This privacy statement may be supplemented by privacy laws in your state. We will protect your information in accordance with state law.

**This Privacy Statement applies to the following members of the Safeco family of companies:**

American Economy Insurance Company  
American States Insurance Company  
American States Insurance Company of Texas  
American States Lloyds Insurance Company  
American States Preferred Insurance Company  
First National Insurance Company of America  
General Insurance Company of America  
Insurance Company of Illinois  
Safeco Insurance Company of America  
Safeco Insurance Company of Illinois  
Safeco Insurance Company of Indiana  
Safeco Insurance Company of Oregon  
Safeco Lloyds Insurance Company  
Safeco National Insurance Company  
Safeco Surplus Lines Insurance Company

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OC-701/EP 1/06

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**Hovenkotter0018**



POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS**

**NAMED INSURED:**  
MARTIN L HOVENKOTTER  
24609 NE 22ND ST  
REDMOND WA 98074-3308

**POLICY PERIOD FROM:** SEPT 16 2006  
**TO:** MAR. 16 2007

at 12:01 A.M. standard time at  
the address of the insured as  
stated herein.

**AGENT:**  
BGI AGENCY NETWORK, INC.  
601 UNION ST STE 1000  
SEATTLE WA 98101-4064

**AGENT TELEPHONE:**  
(206) 577-6807

**ALL DRIVERS IN HOUSEHOLD** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER, KIRK R HOVENKOTTER

**RATED DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER, KIRK R HOVENKOTTER

2003 INFINITI FX45 4 DOOR ID# JNRBS08M73X401083  
2005 TOYOTA SCION TC 3 DOOR ID# JYKDE177650053376

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	2003 INFI LIMITS	PREMIUMS	2005 TOYT LIMITS	PREMIUMS
<b>LIABILITY:</b>				
BODILY INJURY	\$250,000 Each Person \$500,000	\$ 279.00	\$250,000 Each Person \$500,000	\$ 279.00
PROPERTY DAMAGE	Each Occurrence \$100,000 Each Occurrence	166.60	Each Occurrence \$100,000 Each Occurrence	166.60
PERSONAL INJURY PROTECTION	\$10,000	47.50	\$10,000	47.50
<b>UNDERINSURED MOTORISTS:</b>				
BODILY INJURY	\$250,000 Each Person \$500,000	34.60	\$250,000 Each Person \$500,000	34.60
PROPERTY DAMAGE	Each Accident \$100,000 Each Accident	16.00	Each Accident \$100,000 Each Accident	16.00
DEDUCTIBLE:	SEE YOUR POLICY		SEE YOUR POLICY	
COMPREHENSIVE	Actual Cash Value Less \$250 Deductible	82.60	Actual Cash Value Less \$250 Deductible	58.80
COLLISION	Actual Cash Value Less \$500 Deductible	239.30	Actual Cash Value Less \$500 Deductible	193.60
<b>ADDITIONAL COVERAGES:</b>				
TOWING & LABOR		5.00		5.00
LOSS OF USE	\$50 Per Day/\$1000 Max	25.00	\$50 Per Day/\$1000 Max	25.00
	<b>TOTAL \$</b>	<b>895.60</b>	<b>TOTAL \$</b>	<b>826.10</b>

-CONTINUED-

P O BOX 34920, SEATTLE, WA 98124

DATE PREPARED: SEPT 18 2006

**Hovenkotter0019**



POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS**

(CONTINUED)

**NAMED INSURED:**  
MARTIN L HOVENKOTTER  
24609 NE 22ND ST  
REDMOND WA 98074-3308

**POLICY PERIOD FROM:** SEPT 16 2006  
**TO:** MAR. 16 2007

at 12:01 A.M. standard time at  
the address of the insured as  
stated herein.

**AGENT:**  
BGI AGENCY NETWORK INC  
601 UNION ST STE 1000  
SEATTLE WA 98101-4064

**AGENT TELEPHONE:**  
(206) 577-6807

**ALL DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER,  
**IN HOUSEHOLD** KIRK R HOVENKOTTER

**RATED DRIVERS** MARTIN L HOVENKOTTER, KERRY S HOVENKOTTER, KYLE L HOVENKOTTER,  
KIRK R HOVENKOTTER

1988 BMW M3 2 DOOR SEDAN ID# WBSAK0308J2195905

Insurance is afforded only for the coverages for which limits of liability or  
premium charges are indicated.

COVERAGES	1988 BMW	LIMITS	PREMIUMS
<b>LIABILITY:</b>			
BODILY INJURY		\$250,000 Each Person \$500,000 Each Occurrence	\$ 279.00
PROPERTY DAMAGE		\$100,000 Each Occurrence	166.60
PERSONAL INJURY PROTECTION		\$10,000	47.50
<b>UNDERINSURED MOTORISTS:</b>			
BODILY INJURY		\$250,000 Each Person \$500,000 Each Accident	34.60
PROPERTY DAMAGE		\$100,000 Each Accident	16.00
DEDUCTIBLE:		SEE YOUR POLICY	
COMPREHENSIVE		Actual Cash Value Less \$250 Deductible	57.50
COLLISION		Actual Cash Value Less \$500 Deductible	116.10
<b>ADDITIONAL COVERAGES:</b>			
TOWING & LABOR		\$50 Per Day/\$1000 Max	5.00
LOSS OF USE			25.00
		<b>TOTAL \$</b>	<b>747.30</b>

**TOTAL EACH VEHICLE:** 2003 INFI \$ 895.60  
2005 TOYT 826.10  
1988 BMW 747.30

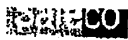
**TOTAL PREMIUM FOR ALL VEHICLES** ..... \$ 2,469.00

-CONTINUED-

P O BOX 34920, SEATTLE, WA 98124

DATE PREPARED: SEPT 18 2006

**Hovenkotter0020**



POLICY NUMBER: H1892042

**SAFECO INSURANCE COMPANY OF ILLINOIS  
AUTOMOBILE POLICY DECLARATIONS  
(CONTINUED)**

CONGRATULATIONS! YOU SAVED \$487.50. YOU HAVE QUALIFIED FOR THE FOLLOWING  
DISCOUNTS: Multi-Car

POLICY FORMS APPLICABLE TO THIS POLICY:  
SA-1697/EP 9/90, SA-1852/WAEP 9/05, SA-1701/EP 9/90

SA-1698/EP 9/90  
33

Page 3 of 3

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**Hovenkotter0021**

**WASHINGTON PERSONAL AUTO POLICY**

SAFECO INSURANCE COMPANY OF AMERICA  
 Home Office: 4333 Brooklyn Ave. N.E., Seattle, Washington 98185  
 SAFECO INSURANCE COMPANY OF ILLINOIS  
 Home Office: 2800 W. Higgins Rd., Suite 1100, Hoffman Estates, Illinois 60195  
 (Each a stock insurance company.)

**READY REFERENCE TO YOUR AUTO POLICY**

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SA-1852/WAEP 9/05

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**Hovenkotter0022**

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**AGREEMENT**


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In return for payment of the premium and subject to all the terms of this policy, we agree with you as follows:

---

**DEFINITIONS**


---

- A. Throughout this policy, "you" and "your" refer to:
1. The "named insured" shown in the Declarations; and
  2. The spouse if a resident of the same household.
- B. "We," "us" and "our" refer to the Company providing this insurance.
- C. For purposes of this policy, a private passenger type auto shall be deemed to be owned by a person if leased:
1. Under a written agreement to that person; and
  2. For a continuous period of at least six months.
- Other words and phrases are defined. They are in bold type when used.
- D. **"Bodily injury"** means bodily harm, sickness or disease, including death that results.
- E. **"Business"** includes trade, profession or occupation.
- F. **"Family member"** means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child who is a resident of your household.
- G. **"Occupying"** means in; upon; or getting in, on, out or off.
- H. **"Property damage"** means physical injury to, destruction of or loss of use of tangible property.
- I. **"Punitive or exemplary damages"** include damages which are awarded to punish or deter wrongful conduct, to set an example, to fine, penalize or impose a statutory penalty, and damages which are awarded for any purpose other than as compensatory damages for bodily injury or property damage.
- J. **"Trailer"** means a vehicle designed to be pulled by a:
1. Private passenger auto; or
  2. Pickup, van or motor home.
- It also means a recreational camping vehicle, a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.
- K. **"Your covered auto"** means:
1. Any vehicle shown in the Declarations.
  2. Any of the following types of vehicles on the date you become the owner, whether operational or not:
    - a. a private passenger auto;
    - b. a pickup or van that:
      - (1) has a Gross Vehicle Weight of less than 10,000 lbs.; and
      - (2) is not used for the delivery or transportation of goods and materials unless such use is:
        - (a) incidental to your business of installing, maintaining or repairing furnishings or equipment; or
        - (b) for farming or ranching; or
    - c. a motor home or trailer.
- If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced.
- If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.
- This provision (K.2.) applies only if you ask us to insure the newly acquired vehicle during the policy period in which it was acquired or within thirty days after you become the owner, whichever is greater.
3. Any trailer you own.
  4. Any auto or trailer you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
    - a. breakdown;
    - b. repair;
    - c. servicing;
    - d. loss; or
    - e. destruction.
- This provision (K.4.) does not apply to Coverage for Damage to Your Auto.

SA-1852/WAEP 9/05

- 1 -

**Hovenkotter0023**

**PART A — LIABILITY COVERAGE****INSURING AGREEMENT**

A. We will pay damages for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements, by permission of the **insured**, or as otherwise approved by a court of law. We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

B. "Insured" as used in this Part means:

1. You or any **family member** for the ownership, maintenance or use of any auto or trailer.
2. Any person using your covered auto.
3. For your covered auto, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under 1. and 2. above.
4. For any auto or trailer, other than your covered auto, any other person or organization but only with respect to legal responsibility for acts or omissions of you or any family member for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or trailer.

**SUPPLEMENTARY PAYMENTS**

In addition to our limit of liability, we will pay on behalf of an insured:

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in **bodily injury** or **property damage** covered under this policy. We are not obligated to apply for or furnish such bonds.
2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Interest on that part of the judgment we pay, accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

**EXCLUSIONS**

A. We do not provide Liability Coverage for any insured:

1. Who intentionally causes **bodily injury** or **property damage**.
2. For **property damage** to property owned or being transported by that insured.
3. For **property damage** to property:
  - a. rented to;
  - b. used by; or
  - c. in the care of;

that insured.

This exclusion (A.3.) does not apply to **property damage** to a residence or private garage.

4. For **bodily injury** to an employee of that insured during the course of employment. This exclusion (A.4.) does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.

5. For that insured's liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.

6. While employed or otherwise engaged in the business or occupation of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing; or
- e. parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of your covered auto by:

- a. you;
- b. any family member; or

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c. any partner, agent or employee of you or any family member.

7. Maintaining or using any vehicle while that insured is employed or otherwise engaged in any business (other than farming or ranching) not described in Exclusion A.6.

This exclusion (A.7.) does not apply to the maintenance or use of a:

- a. private passenger auto;
- b. pickup, motorhome or van that:

- (1) you own; or

- (2) you do not own while used as a temporary substitute for your covered auto which is out of normal use because of its:

- (a) breakdown;
- (b) repair;
- (c) servicing;
- (d) loss; or
- (e) destruction; or

- c. trailer used with a vehicle described in a. or b. above.

8. Using a vehicle without a reasonable belief that that insured has permission to do so. However, this exclusion does not apply to a family member using your covered auto.

9. For bodily injury or property damage for which that insured:

- a. is an insured under a nuclear energy liability policy; or
- b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. American Nuclear Insurers;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

10. For punitive or exemplary damages awarded against an insured.

- B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. has fewer than four wheels; or
- b. is designed mainly for use off public roads.

This exclusion (B.1.) does not apply:

- a. while such vehicle is being used by an insured in a medical emergency; or
- b. to any trailer.

2. Any vehicle, other than your covered auto, which is:

- a. owned by you; or
- b. furnished or available for your regular use.

3. Any vehicle, other than your covered auto, which is:

- a. owned by any family member; or
- b. furnished or available for the regular use of any family member.

However, this exclusion (B.3.) does not apply to you while you are maintaining or occupying any vehicle which is:

- a. owned by a family member; or
- b. furnished or available for the regular use of a family member.

4. Any vehicle, located inside a facility designed for racing, for the purpose of:

- a. competing in; or
- b. practicing or preparing for;

any prearranged or organized racing or speed contest.

#### LIMIT OF LIABILITY

- A. If the Declarations indicate Individual Coverages apply:

The limit of liability shown in the Declarations for "each person" for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of bodily injury sustained by any one person in any one auto accident.

Subject to this limit for "each person," the limit of liability shown in the Declarations for "each accident" for Bodily Injury Liability is our maximum limit of liability for all damages for bodily injury resulting from any one auto accident.

The limit of liability shown in the Declarations for "each accident" for Property Damage Liability is our maximum limit of liability for all property damage resulting from any one accident.

This is the most we will pay regardless of the number of:

- 1. Insureds;
- 2. Claims made;

3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

**B. If the Declarations indicate Combined Single Limit applies:**

The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for all damages resulting from any one auto accident. This is the most we will pay regardless of the number of:

1. Insureds;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

We will apply the limit of liability to provide any separate limits required by law for bodily injury and property damage liability. However, this provision will not change our total limit of liability.

- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part B or Part C of this policy.**

**OUT OF STATE COVERAGE**

If an auto accident to which this policy applies occurs in any state or province other than the one in which your covered auto is principally garaged,

we will interpret your policy for that accident as follows:

**A. If the state or province has:**

1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

- B. No one will be entitled to duplicate payments for the same elements of loss.**

**FINANCIAL RESPONSIBILITY**

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

**OTHER INSURANCE**

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

**PERSONAL INJURY PROTECTION COVERAGE**

**INSURING AGREEMENT**

- A. We will pay personal injury protection benefits incurred because of bodily injury sustained by an insured caused by an auto accident arising out of the ownership, maintenance or use of a private passenger motor vehicle as a motor vehicle. Personal injury protection benefits consist of the following:**

1. Medical expenses;
2. Income continuation benefits;
3. Loss of services benefits;
4. Funeral expenses.

- B. "Family member" means a person related to the named insured by:**

1. blood;
2. marriage; or

**3. adoption;**

including a ward or foster child, who is a resident of the named insured's household. However, the named insured's spouse shall be considered a named insured.

- C. "Income continuation benefits" means payment for an insured's loss of income earned, during a period of disability due to bodily injury sustained in an auto accident. This benefit payment period begins 14 days after the date of the auto accident and ends at the earliest of the following:**

1. The date the insured is reasonably able to resume the duties of that insured's usual occupation;
2. After 54 weeks have elapsed since the date of the accident; or
3. The date of the insured's death.

## D. "Insured" as used in this section means:

1. The named insured or any family member while:
  - a. occupying or using; or
  - b. a pedestrian struck by; a motor vehicle.
2. Any other person while:
  - a. occupying or using; or
  - b. a pedestrian struck by; your covered auto.
3. Any other person while occupying, as a guest, an automobile not owned by you or a family member, while being operated by you or a family member.

## E. "Loss of services benefits" means reasonable expenses incurred during a period of disability for essential services the insured would have performed provided such services are actually rendered by persons who are not members of the household. This benefit ends:

1. The date the insured is reasonably able to resume essential services;
2. The expiration of 52 weeks since the date of the accident; or
3. The date of the insured's death.

## F. "Medical expenses" means the reasonable value of necessary medical services incurred within 3 years from the date of the accident for:

1. Medical, surgical, X-ray and dental services;
2. Pharmaceuticals, prosthetic devices and eyeglasses; and
3. Necessary ambulance, hospital and professional nursing services.

"Reasonable value" means the usual and customary charges for medical services.

## G. "Motor vehicle" means a self-propelled land motor vehicle or trailer. However, "motor vehicle" does not include a:

1. Farm-type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads.
2. Vehicle operated on rails or crawler treads.
3. Vehicle located for use as a residence or premises.
4. Motorcycle or moped.

## H. "Named insured" means:

1. The person named in the Declarations; and
2. That person's resident spouse.

## I. "Pedestrian" means any person not occupying a motor vehicle.

## J. "Private passenger motor vehicle" means a 4-wheel passenger or station wagon type motor vehicle which is not:

1. Used as a public or livery conveyance; or
2. Rented to others.

This includes any other 4-wheel motor vehicle of the:

1. Utility;
2. Pickup body;
3. Sedan delivery; or
4. Panel truck;

type not used for wholesale or retail delivery other than farming or ranching.

## K. "Your covered auto" as used in this coverage means a private passenger motor vehicle owned by you:

1. To which the Bodily Injury Liability Coverage of this policy applies; and
2. For which a specific premium is charged.

## EXCLUSIONS

We do not provide Personal Injury Protection Coverage for any insured:

1. Who intentionally injures himself or herself.
2. While participating in or practicing for any prearranged or organized racing or speed contest.
3. The named insured or any family member while occupying any motor vehicle, other than your covered auto, which is:
  - a. owned by; or
  - b. furnished for the regular use of: the named insured.
4. Any family member while occupying any motor vehicle which is:
  - a. owned by; or
  - b. furnished for the regular use of: that family member.
5. While occupying a motorcycle or moped.
6. For bodily injury resulting from radioactive, toxic, explosive or other hazardous properties of nuclear material.
7. Due to war, whether or not declared, or to an act or condition incident to such circumstances.
8. If that person's bodily injury results or arises from the insured's use of a motor vehicle in the commission of a felony.

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**LIMIT OF LIABILITY**

Regardless of the number of insureds, policies or bonds applicable, claims made or vehicles to which this coverage applies, our liability for Personal Injury Protection Coverage is limited as follows:

1. The total amount payable by us to any one insured because of bodily injury sustained in any one motor vehicle accident shall not exceed the sum of:
  - a. \$10,000 for medical expenses;
  - b. \$2,000 for funeral expenses;
  - c. \$10,400 for income continuation benefits, subject to a limit of \$200 per week. The combined weekly payment under this benefit or any workers' compensation, any other disability or loss of income benefit and this coverage shall not exceed 85% of the insured's weekly income from work. The insured's sick leave benefit or vacation pay will not be considered in determining payment of this benefit.
  - d. \$5,000, subject to a limit of \$40 per day, not to exceed \$200 per week for loss of services benefits.
2. Any amount payable under this coverage shall be reduced by any amount paid or payable under any:
  - a. workers' compensation law; or
  - b. other similar medical or disability benefits law, excluding Medicare.

**OTHER INSURANCE**

- A. If there is other applicable auto medical payments or personal injury protection insurance we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits.
- B. Any insurance we provide with respect to an insured while:
  1. Occupying; or
  2. A pedestrian struck by;
 a temporary substitute or a non-owned auto shall be excess over any other valid and

collectible auto medical payments coverage or personal injury protection coverage.

**POLICY PERIOD; TERRITORY**

This coverage applies only to accidents which occur during the policy period, within the United States of America, its territories or possessions, or Canada.

**ARBITRATION**

A. If we and an insured do not agree on the amounts payable under this coverage, the matter shall, upon mutual agreement, be decided by arbitration.

1. The parties may agree to a single arbitrator. A decision by the arbitrator will be binding.
2. If the parties cannot agree on a single arbitrator, each will select an independent representative, who will then select a single arbitrator. The parties may then proceed with the single arbitrator by agreement. A decision by the arbitrator will be binding.
3. If the representatives cannot agree on a single arbitrator within 30 days or the parties do not agree on the arbitrator selected, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a court having jurisdiction. A decision by two of the three arbitrators will be binding.

B. Unless both parties agree otherwise, arbitration will take place within the county and state in which the insured lives. Local rules of law as to procedure and evidence will apply. Each party will pay the expenses it incurs, except we will bear the reasonable expenses of the arbitrator(s) and any statutory costs actually incurred by the insured.

**COORDINATION OF COVERAGE**

Any Medical Payments Coverage under Part B or Underinsured Motorists Coverage we provide shall be excess over any payment made under Personal Injury Protection Coverage provided by this policy.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 04/23/10 BY 60322 UCBAW/STP

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**PART B — MEDICAL PAYMENTS COVERAGE****INSURING AGREEMENT**

A. We will pay the reasonable expenses incurred for necessary medical expenses and funeral services because of bodily injury:

1. Caused by accident; and
2. Sustained by an insured.

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

B. "Insured" as used in this Part means:

1. You or any family member:

- a. while occupying; or
- b. as a pedestrian when struck by;

a motor vehicle designed for use mainly on public roads or a trailer of any type.

Also, you or any family member while occupying a bicycle when struck by a motor vehicle designed for use mainly on public roads or by a trailer of any type.

2. Any other person while occupying your covered auto.
3. Any other person while occupying, as a guest, an automobile not owned by you or a family member, while being operated by you or a family member.

C. "Medical expenses" means the reasonable value of necessary medical services incurred within 3 years from the date of the accident for:

1. Medical, surgical, X-ray and dental services;
2. Pharmaceuticals, prosthetic devices and eyeglasses; and
3. Necessary ambulance, hospital and professional nursing services.

"Reasonable value" means the usual and customary charges for medical services.

**EXCLUSIONS**

We do not provide Medical Payments Coverage for any insured for bodily injury:

1. Sustained while occupying any motorized vehicle having fewer than four wheels.
2. Sustained while occupying your covered auto when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.

3. Sustained while occupying any vehicle located for use as a residence or premises.

4. Occurring during the course of employment if workers' compensation benefits are required or available for the bodily injury.

5. Sustained while occupying, or when struck by, any vehicle (other than your covered auto) which is:

- a. owned by you; or
- b. furnished or available for your regular use.

6. Sustained while occupying, or when struck by, any vehicle (other than your covered auto) which is:

- a. owned by any family member; or
- b. furnished or available for the regular use of any family member.

However, this exclusion (6.) does not apply to you.

7. Sustained while occupying a vehicle without a reasonable belief that that insured has permission to do so. However, this exclusion does not apply to a family member using your covered auto.

8. Sustained while occupying a vehicle when it is being used in the business or occupation of an insured. This exclusion (8.) does not apply to bodily injury sustained while occupying a:

- a. private passenger auto;
- b. pickup, van or motor home that you own; or
- c. trailer used with a vehicle described in a. or b. above.

9. Caused by or as a consequence of:

- a. discharge of a nuclear weapon (even if accidental);
- b. war (declared or undeclared);
- c. civil war;
- d. insurrection; or
- e. rebellion or revolution.

10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:

- a. nuclear reaction;
- b. radiation; or

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- c. radioactive contamination.
- 11. Sustained while **occupying** any vehicle located inside a facility designed for racing, for the purpose of:
  - a. competing in; or
  - b. practicing or preparing for;
 any prearranged or organized racing or speed contest.

#### LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
  - 1. Insureds;

- 2. Claims made;
- 3. Vehicles or premiums shown in the Declarations; or
- 4. Vehicles involved in the accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part C of this policy.

#### OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

### PART C — UNDERINSURED MOTORISTS COVERAGE — BODILY INJURY

#### INSURING AGREEMENT

- A. We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **bodily injury**:

- 1. Sustained by an insured; and
- 2. Caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **underinsured motor vehicle**.

- B. "Insured" as used in this Part means:

- 1. You or any family member.
- 2. Any other person occupying your covered auto.
- 3. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person described in 1. or 2. above.

- C. "Underinsured motor vehicle" means a land motor vehicle or trailer of any type:

- 1. To which no bodily injury liability bond or policy applies at the time of the accident.
- 2. To which bodily injury liability bonds or policies apply at the time of the accident but the amount payable under all of the bonds or policies to an insured is not enough to pay the full amount the insured is legally entitled to recover as damages.

- 3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in **bodily injury** without hitting:

- a. you or any family member;
- b. a vehicle which you or any family member are occupying; or
- c. your covered auto.

If there is no physical contact with the vehicle causing the accident, the facts of the accident must be proved. We will only accept competent evidence other than the testimony of an insured or any person having an **underinsured motorist** claim resulting from the accident.

- 4. To which bodily injury liability bonds or policies apply at the time of the accident, but all of the bonding or insurance companies:

- a. deny coverage; or
- b. are or become insolvent.

However, "underinsured motor vehicle" does not include any vehicle or equipment:

- 1. Operated on rails or crawler treads.
- 2. While located for use as a residence or premises.
- 3. To which the Liability Coverage of this policy applies. However, this exception to the definition of **underinsured motor vehicle** does not apply to you or any family member if you or any family member sustain damages while occupying, or when struck by, a vehicle for which coverage under Part A of this policy applies.

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4. Owned by any governmental entity, including its subdivisions or agencies; or operated by an employee or agent of any governmental entity, including its subdivisions or agencies, while in the course of employment. However, exception 4. does not apply if the governmental entity is unable to satisfy a claim because of financial inability or insolvency.

#### EXCLUSIONS

- A. We do not provide Underinsured Motorists Coverage for **bodily injury** sustained:
  1. By an **insured** while operating or occupying any motor vehicle owned by that **insured** which is not insured for Liability Coverage under this policy. This includes a **trailer** of any type used with that vehicle.
  2. By any **family member** while operating, or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.
- B. We do not provide Underinsured Motorists Coverage for **bodily injury** sustained by any **insured**:
  1. When your covered auto is being used as a public or livery conveyance. This exclusion (B.1.) does not apply to a share-the-expense car pool.
  2. Using a vehicle without a reasonable belief that that **insured** has permission to do so. However, this exclusion does not apply to a **family member** using your covered auto which is owned by you.
  3. While operating or occupying a motorcycle, motor-driven cycle or moped.
- C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
  1. Workers' compensation law; or
  2. Disability benefits law.
- D. We do not provide Underinsured Motorists Coverage for **punitive or exemplary damages**.

#### LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for "each person" for Underinsured Motorists Bodily Injury Coverage is our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in any one accident.

Subject to this limit for "each person," the limit of liability shown in the Declarations for "each accident" for Underinsured Motorists Bodily Injury Coverage is our maximum limit of liability for all damages for **bodily injury** resulting from any one accident.

This is the most we will pay regardless of the number of:

1. **Insureds**;
  2. **Claims made**;
  3. **Vehicles or premiums shown in the Declarations**; or
  4. **Vehicles involved in the accident**.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part B of this policy.
  - C. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made, or liability insurance coverage is available, by or on behalf of persons or organizations who may be legally responsible.

#### OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any collectible insurance providing coverage on a primary basis.
3. If the coverage under this policy is provided:
  - a. on a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
  - b. on an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

#### ARBITRATION

- A. If we and an **insured** do not agree:
  1. Whether that **insured** is legally entitled to recover damages; or
  2. As to the amount of damages which are recoverable by that **insured**;

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from the owner or operator of an underinsured motor vehicle, then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated. Both parties must agree to arbitration.

1. The parties may agree to a single arbitrator. A decision by the arbitrator will be binding.
  2. If the parties cannot agree on a single arbitrator, each will select an independent representative, who will then select a single arbitrator. The parties may then proceed with the single arbitrator by agreement. A decision by the arbitrator will be binding.
  3. If the representatives cannot agree on a single arbitrator within 30 days or the parties do not agree on the arbitrator selected, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a court having jurisdiction. A decision by two of the three arbitrators will be binding.
- B. Unless both parties agree otherwise, arbitration will take place within the county and state in

which the insured lives. Local rules of law as to procedure and evidence will apply. Each party will pay the expenses it incurs, except we will bear the reasonable expenses of the arbitrator(s) and any statutory costs actually incurred by the insured.

#### ADDITIONAL DUTIES

1. A person seeking Underinsured Motorists Coverage must also promptly notify us of a tentative settlement between the insured and the insurer of the underinsured motor vehicle and allow us a reasonable time to advance payment to that insured in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such underinsured motor vehicle. If you fail to promptly notify us of such tentative settlement, we will not provide this coverage to the extent your failure to provide such notice prejudices our rights against any third party.
2. If there is no physical contact with the vehicle causing the accident, someone must report the accident to the appropriate law enforcement agency within 72 hours of the accident.

### PART D — COVERAGE FOR DAMAGE TO YOUR AUTO

#### INSURING AGREEMENT

- A. We will pay for direct and accidental loss to your covered auto or any non-owned auto, including its equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to your covered auto caused by:

1. Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for that auto.
2. Collision only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a non-owned auto, we will provide the broadest coverage applicable to any vehicle shown in the Declarations.

- B. "Collision" means the upset of your covered auto or a non-owned auto or its impact with another vehicle or object. No deductible will apply if the collision is with another auto insured by either Safeco Insurance Company of America, Safeco Insurance Company of Illinois, Safeco National Insurance Company, Safeco Lloyds Insurance Company, First National Insurance Company of America, General Insurance Company of America or Safeco Insurance Company of Oregon.

"Comprehensive" means loss, other than collision, to your covered auto or a non-owned auto.

Loss caused by the following are not collision losses but are comprehensive losses:

Loss caused by missiles or falling objects; fire; theft or larceny; explosion or earthquake; windstorm; hail, water or flood; malicious mischief or vandalism; riot or civil commotion; contact with a bird or animal; or breakage of glass.

If breakage of glass is caused by a collision, you may elect to have it considered a loss caused by collision.

#### C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or trailer not owned by or furnished or available for the regular use of you or any family member while in the custody of or being operated by you or any family member; or
2. Any auto or trailer you do not own while used as a temporary substitute for your covered auto which is out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

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D. "Camper body" means a body equipped as sleeping or living quarters which is designed to be mounted on a pickup.

#### TRANSPORTATION EXPENSES

In addition we will pay, without application of a deductible, either of the following, whichever is greater:

1. Up to \$22 per day, to a maximum of \$660; or
2. The limit for Loss of Use, if any, shown on the Declarations;

For:

1. Temporary transportation expenses incurred by you in the event of the total theft of your covered auto. We will pay for such expenses only if the Declarations indicate that Comprehensive Coverage is provided for that auto.
2. Indirect loss expenses for which you become legally responsible in the event of a loss to a non-owned auto. We will pay for indirect loss expenses if the loss is caused by:
  - a. other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any your covered auto.
  - b. collision only if the Declarations indicate that Collision Coverage is provided for any your covered auto.

If the loss is caused by a total theft of your covered auto or a non-owned auto, we will pay only expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when your covered auto or the non-owned auto is returned to use or we pay for its loss.

If the loss is caused by other than a total theft of a non-owned auto, we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

Our payment will be limited to that period of time reasonably required to repair or replace your covered auto or the non-owned auto.

#### EXCLUSIONS

We will not pay for:

1. Loss to your covered auto or any non-owned auto which occurs while it is being used as a public or livery conveyance. This exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to:
  - a. wear and tear;
  - b. freezing;
  - c. mechanical or electrical breakdown or failure; or
  - d. road damage to tires.

This exclusion (2.) does not apply if the damage results from the total theft of your covered auto or any non-owned auto.

3. Loss due to or as a consequence of:
  - a. radioactive contamination;
  - b. discharge of any nuclear weapon (even if accidental);
  - c. war (declared or undeclared);
  - d. civil war;
  - e. insurrection; or
  - f. rebellion or revolution.
4. Loss to:
  - a. any electronic equipment designed for the reproduction of sound, including, but not limited to:
    - (1) radios and stereos;
    - (2) tape decks; or
    - (3) compact disc players;
  - b. any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:
    - (1) citizens band radios;
    - (2) telephones;
    - (3) 2-way mobile radios;
    - (4) scanning monitor receivers;
    - (5) television monitor receivers;
    - (6) video cassette recorders;
    - (7) audio cassette recorders; or
    - (8) personal computers;
  - c. tapes, records, discs, or other media used with equipment described in a. or b.; or

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- d. any other accessories used with equipment described in a. or b.

This exclusion (4.) does not apply to:

- a. equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

- (1) the equipment is permanently installed in your covered auto or any non-owned auto; or

- (2) the equipment is:

- (a) removable from a housing unit which is permanently installed in the auto;

- (b) designed to be solely operated by use of the power from the auto's electrical system; and

- (c) in or upon your covered auto or any non-owned auto;

at the time of the loss.

- b. any other electronic equipment that is:

- (1) necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or

- (2) an integral part of the same unit housing any sound reproducing equipment described in a. and permanently installed in the opening of the dash or console of your covered auto or any non-owned auto normally used by the manufacturer for installation of a radio.

5. A total loss to your covered auto or any non-owned auto due to destruction or confiscation by governmental or civil authorities.

This exclusion (5.) does not apply to the interests of Loss Payees in your covered auto.

6. Loss to a camper body, motor home or trailer you own which is not shown in the Declarations. This exclusion (6.) does not apply to a camper body, motor home or trailer you:

- a. acquire during the policy period; and  
b. ask us to insure during the policy period or within 30 days after you become the owner, whichever is greater.

7. Loss to any non-owned auto when used by you or any family member without a reasonable belief that you or that family member have permission to do so.

8. Loss to equipment designed or used for the detection or location of radar or laser.

9. Loss to any non-owned auto being maintained or used by any person while employed or otherwise engaged in the business of:

- a. selling;  
b. repairing;  
c. servicing;  
d. storing; or  
e. parking;

vehicles designed for use on public highways. This includes road testing and delivery.

10. Loss to any non-owned auto being maintained or used by any person while employed or otherwise engaged in any business not described in exclusion 9. This exclusion (10.) does not apply to the maintenance or use by you or any family member of a non-owned auto which is a private passenger auto or trailer.

11. Loss to your covered auto or any non-owned auto, located inside a facility designed for racing, for the purpose of:

- a. competing in; or  
b. practicing or preparing for;

any prearranged or organized racing or speed contest.

12. Loss to, or loss of use of, a non-owned auto rented by:

- a. you; or  
b. any family member;

if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that family member, pursuant to the provisions of any applicable rental agreement or state law.

#### LIMIT OF LIABILITY

- A. Our limit of liability for loss will be the lesser of the:

1. Actual cash value of the stolen or damaged property;  
2. Amount necessary to repair or replace the property; or  
3. Limit of liability shown in the Declarations.

However, the most we will pay for loss to any non-owned auto which is a trailer is \$1,000.

- B. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

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- C. No payment will be made for loss paid under Underinsured Motorists Coverage — Property Damage.

#### PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

#### NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

#### OTHER INSURANCE

If other insurance also covers the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a non-owned auto shall be excess over any:

1. Other collectible insurance; or
2. Coverage provided under a collision or loss damage waiver for loss to a rental vehicle.

#### APPRAISAL

- A. If we and you do not agree on the amount of loss, either may make a written demand for appraisal of the loss.

1. We and you may agree to a single appraiser. A decision by the appraiser will be binding.

2. If we and you cannot agree on a single appraiser, each will select an independent representative, who will then select a single appraiser. We and you may then proceed with the single appraiser by agreement. A decision by the appraiser will be binding.

3. If the representatives cannot agree on a single appraiser within 30 days or we or you do not agree on the appraiser selected, each party will select an appraiser. The two appraisers will select an umpire. If they cannot agree within 30 days, either may request that selection be made by a court having jurisdiction. A decision by two will be binding.

- B. Each party will pay the expenses it incurs, except we will bear the reasonable expenses of the appraiser(s).

- C. Neither we nor you waive any rights under this policy by agreeing to an appraisal.

#### PART E — DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.

- B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require:
  - a. to physical examinations by physicians we select. We will pay for these exams.

- b. to examination under oath and subscribe the same. We may examine any insured separately and apart from the presence of any other insured.

4. Authorize us to obtain:

- a. medical reports; and
- b. other pertinent records.

5. Submit a proof of loss, under oath if requested, when required by us.

- C. A person seeking Personal Injury Protection Coverage must:

1. In the event of an accident, give us or our authorized agent prompt written notice of the accident. The notice should identify the insured and contain reasonably obtainable information regarding how, when and where the accident happened.

2. Submit to, when and as often as we reasonably require, physical exams by physicians we select. We will pay for these exams.
  3. Give us:
    - a. prompt written proof of claim, under oath if required; and
    - b. any other information which may assist us in determining the amount due and payable.
  4. Give us authorization to enable us to obtain:
    - a. medical reports;
    - b. copies of records; and
    - c. information regarding loss of income as a condition for receiving income continuation.
  5. Furnish us with reasonable medical proof of that person's inability to work.
  6. If a person takes legal action to recover damages for bodily injury, against a person or organization who may be legally liable, a copy of the summons and complaint or other process served in connection with such action shall be promptly forwarded to us.
- D. A person seeking Underinsured Motorists Coverage must also:
1. Promptly notify the police if a hit-and-run driver is involved and there is bodily injury or death of any person or damage to the property of any one person to an apparent extent equal to or greater than the reporting threshold established by applicable regulation. However if there is no physical contact with a hit-and-run vehicle, someone must report the accident to the appropriate law enforcement agency within 72 hours of the accident.
  2. Promptly send us copies of the legal papers if a suit is brought.
  3. Promptly notify us of a tentative settlement between the insured and the insurer of the underinsured motor vehicle and allow us a reasonable time to advance payment to that insured in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such underinsured motor vehicle. If you fail to promptly notify us of such tentative settlement, we will not provide this coverage to the extent your failure to provide such notice prejudices our rights against any third party.
- E. A person seeking Coverage for Damage to Your Auto must also:
1. Take reasonable steps after loss to protect your covered auto or any non-owned auto and its equipment from further loss. We will pay reasonable expenses incurred to do this.
  2. Promptly notify the police if your covered auto or any non-owned auto is stolen.
  3. Permit us to inspect and appraise the damaged property before its repair or disposal.

## PART F — GENERAL PROVISIONS

### POLICY PERIOD AND TERRITORY

- A. This policy applies only to accidents and losses which occur:
  1. During the policy period as shown in the Declarations; and
  2. Within the policy territory.
- B. The policy period is the period stated in the Declarations. The policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- C. The policy territory is:
  1. The United States of America, its territories or possessions;

2. Puerto Rico; or
3. Canada.

This policy also applies to loss to, or accidents involving, your covered auto while being transported between their ports.

### BANKRUPTCY

Bankruptcy or insolvency of the insured shall not relieve us of any obligations under this policy.

### CHANGES

- A. Before the end of any policy period, we may offer to change the coverage provided in this policy. Your payment of the premium billed by us for the next policy period will be your acceptance of our offer.

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B. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.

C. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

1. The number, type or use classification of insured vehicles;
2. Operators using insured vehicles;
3. The place of principal garaging of insured vehicles;
4. Coverage, deductible or limits.

If a change resulting from B. or C. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

D. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (D.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of your policy; or
2. An Amendatory Endorsement.

E. Additional or return premium of \$3.00 or less resulting from policy changes will be waived.

#### FRAUD

We do not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

#### LEGAL ACTION AGAINST US

A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until:

1. We agree in writing that the insured has an obligation to pay; or
2. The amount of that obligation has been finally determined by judgment after trial.

B. No person or organization has any right under this policy to bring us into any action to determine the liability of an insured.

#### OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall then have that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

We shall not use that right if the person against whom it may be asserted is an insured under Part A of this policy.

B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall hold in trust for us the proceeds of the recovery.

C. We shall be entitled to a recovery under paragraph A. or B. only after the person has been fully compensated for damages.

D. Our rights do not apply under paragraph A. with respect to Underinsured Motorists Coverage if we:

1. Have been given prompt written notice of a tentative settlement between an insured and the insurer of an underinsured motor vehicle; and
2. Fail to advance payment to the insured in an amount equal to the tentative settlement within a reasonable time after receipt of notification.

If we advance payment to the insured in an amount equal to the tentative settlement within a reasonable time after receipt of notification:

1. That payment will be separate from any amount the insured is entitled to recover under the provisions of Underinsured Motorists Coverage.

2. We also have a right to recover the advanced payment.

E. With respect to Personal Injury Protection Coverage, any legal expenses incurred by us or that person, in recovering payments which benefit both parties, shall be shared equally by the parties. This provision (E.) applies to legal expenses incurred in a legal action for damages or otherwise.

#### TERMINATION

A. Cancellation. This policy may be canceled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:

- a. returning this policy to us; or

b. giving us advance written notice of the date cancellation is to take effect.

2. We may cancel by mailing notice to the named insured shown in the Declarations at the address shown in this policy:

a. at least 10 days notice if cancellation is for nonpayment of premium; or

b. at least 20 days notice in all other cases.

Notice will include the reason for cancellation.

3. After this policy is in effect for 60 days, or if this is a renewal policy, we will cancel only:

a. for nonpayment of premium; or

b. if your driver's license or that of:

(1) any driver who lives with you; or

(2) any driver who customarily uses your covered auto;

has been suspended or revoked. This must have occurred:

(1) During the policy period; or

(2) If this is a renewal or continuation policy, during the policy period or the 180 days immediately preceding the effective date of the renewal or continuation policy.

c. if the policy was obtained through material misrepresentation with intent to deceive.

4. We will mail the same written notice of cancellation to your agent or broker, if applicable.

**B. Nonrenewal.** If we decide not to renew this policy we will mail notice to you at the address shown in this policy at least 20 days before the end of the policy period. We may not refuse to renew the Liability or Collision Coverage of this policy on the basis that you have made one or more claims under the:

1. Comprehensive Coverage; or

2. Towing and Labor Costs Coverage;

of this policy.

Notice will include the reason for the nonrenewal.

We will mail the same advance written notice of Cancellation to your agent or broker, if applicable.

**C. Automatic Termination.** If we offer to renew and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the

required renewal premium when due shall mean that you have not accepted our offer.

We are not required to renew this policy if other coverage acceptable to you is obtained before the end of the policy period.

#### **D. Other Termination Provisions.**

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

2. If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund as soon as possible but no later than 45 days after the date we send notice of cancellation if we cancel the policy, or no later than 30 days after the date we receive notice of cancellation if you cancel the policy. The premium refund, if any, will be computed pro rata. However, making or offering to make the refund is not a condition of cancellation.

3. The effective date of cancellation stated in the notice shall become the end of the policy period.

#### **TRANSFER OF YOUR INTEREST IN THIS POLICY**

**A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and

2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your covered auto.

**B.** Coverage will only be provided until the end of the policy period.

#### **TWO OR MORE AUTOS INSURED; TWO OR MORE AUTO POLICIES**

If this policy insures two or more autos or if any other auto insurance policy issued to you by us applies to the same accident, the maximum limit of our liability shall not exceed the highest limit applicable to any one auto under any one auto policy.

#### **LOSS PAYABLE CLAUSE (REG-335)**

This clause is identical to that promulgated in Washington State Insurance Commissioner's Regulation No. 335, pursuant to § 1, Chapter 12, Laws of 1987, Extraordinary Session, State of Washington.

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- A. Loss or damage, if any, under this policy shall be payable first to the loss payee or mortgagee (hereinafter called secured party), and, second, to the insured, as their interests may appear; PROVIDED, That, upon demand for separate settlement by the secured party, the amount of said loss shall be paid directly to the secured party to the extent of its interest.
- B. This insurance as to the interest of the secured party shall not be invalidated by any act or neglect of the insured named in said policy or his agents, employees or representatives, nor by any change in the title or ownership of the insured property; PROVIDED, HOWEVER, That, the conversion, embezzlement or secretion by the named insured or his agents, employees or representatives is not covered under said policy unless specifically insured against and premiums paid therefor.
- C. In applying the pro rata provisions of the policy, the amount payable to the secured party shall be reduced only to the extent of pro rata payments receivable by the secured party under other policies.
- D. The company reserves the right to cancel the policy at any time as provided by its terms, but in such case the company shall mail to the secured party a notice stating when such cancellation shall become effective as to the interest of said secured party. The amount and form of such notice shall be not less than that required to be given the named insured, by law or by the policy provisions, whichever is more favorable to the secured party.
- E. If the insured fails to render proof of loss within the time granted in the policy conditions, such secured party shall do so within sixty (60) days after having knowledge of a loss, in form and manner as provided by the policy, and, further, shall be subject to the provisions of the policy relating to appraisal and the time of payment and bringing suit.
- F. Whenever the company shall pay the secured party any sum for loss or damage under such policy and shall claim that, as to the insured, no liability exists, the company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all collateral held to secure the debt, or may, at its option, pay to the secured party the whole principal due or to grow due on the mortgage or other security agreement, with interest, and shall thereupon receive a full assignment and transfer of the mortgage or other security agreement and of all collateral held to secure it; but no subrogation shall impair the right of the secured party to recover the full amount due it.
- G. All terms and conditions of the policy remain unchanged except as herein specifically provided.
- H. All notices sent to the secured party shall be sent to its last reported address, which must be stated in the policy.

#### ADDITIONAL COVERAGES

AGREEMENT: WE WILL PROVIDE THE INSURANCE DESCRIBED IN EACH OF THE FOLLOWING ADDITIONAL COVERAGES ONLY IF INDICATED IN THE DECLARATIONS.

#### ADDITIONAL PERSONAL INJURY PROTECTION COVERAGE

For an additional premium, the Limit of Liability under the Personal Injury Protection Coverage is deleted and replaced by the following:

#### LIMIT OF LIABILITY

Regardless of the number of claims made or vehicles to which this coverage applies, our liability or Personal Injury Protection Coverage is limited as follows:

1. The total amount payable by us to each insured arising out of bodily injury sustained in any one accident shall not exceed the sum of:
  - a. \$35,000 for medical expenses;
  - b. \$2,000 for funeral expenses;

- c. \$36,400 for income continuation benefits, subject to a limit of \$700 per week. The combined weekly payment under this benefit and any workers' compensation, any other disability or loss of income benefit shall not exceed 85% of the insured's weekly income from work. Sick leave or vacation pay will not be considered in determining payments under this benefit;
- d. \$40 per day for loss of services benefits.

#### UNDERINSURED MOTORISTS COVERAGE — PROPERTY DAMAGE

#### INSURING AGREEMENT

- A. We will pay damages which an insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of property damage caused by an

accident if the Declarations indicates that Underinsured Motorists Property Damage applies.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the underinsured motor vehicle.

B. "Insured" as used in this coverage means:

1. You or any family member.
2. Any other person occupying your covered auto.

C. "Property damage" as used in this coverage means injury to or destruction of the property of an insured.

D. "Underinsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no property damage liability bond or policy applies at the time of the accident.
2. To which liability bonds or policies apply at the time of the accident but the amount payable under all of the bonds or policies to an insured is not enough to pay the full amount the insured is entitled to recover as damages.
3. To which property damage liability bonds or policies apply at the time of the accident, but the bonding or insurance companies deny coverage or are or become insolvent.
4. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in property damage without hitting:
  - a. a vehicle which you or any family member are occupying; or
  - b. your covered auto.

If there is no physical contact with the vehicle causing the accident, the facts of the accident must be proved. We will only accept competent evidence other than the testimony of an insured or any person having an underinsured motorists claim resulting from the accident.

However, "underinsured motor vehicle" does not include any vehicle or equipment:

1. Operated on rails or tracks.
2. While located for use as a residence or premises.
3. To which the Liability Coverage of this policy applies. However, this exception to the definition of underinsured motor vehicle does not apply to you or any family member if you or any family member sustain damages while occupying, or when struck by, a vehicle for which coverage under Part A of this policy applies.
4. Owned by any governmental entity, including its subdivisions or agencies; or

operated by an employee or agent of any governmental entity, including its subdivisions or agencies, while in the course of employment. However, exception 4. does not apply if the governmental entity is unable to satisfy a claim because of financial inability or insolvency.

#### EXCLUSIONS

A. We do not provide Underinsured Motorists Coverage for property damage sustained by any insured:

1. While operating or occupying any motor vehicle owned by, furnished or available for regular use by that insured which is not insured for Liability Coverage under this policy. This includes a trailer of any type used with that vehicle.
2. If the accident was caused by an auto which has no physical contact with your covered auto or a vehicle an insured was occupying at the time of the accident unless:
  - a. the facts of the accident are corroborated by competent evidence other than a person having an Underinsured Motorists Coverage claim resulting from the accident; and
  - b. the accident is reported to the appropriate law enforcement agency within 72 hours after the accident.
3. When your covered auto is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool.
4. While operating or occupying a motorcycle, motor-driven cycle or moped.
5. Using a vehicle without a reasonable belief that the person has permission to do so. However, this exclusion does not apply to a family member using your covered auto which is owned by you.

B. This coverage shall not apply to the benefit of any insurer of property.

#### DEDUCTIBLES

The following will be deducted from the amount of property damage resulting from any one accident:

1. \$300 if the accident is caused by a hit-and-run vehicle or a vehicle which has no physical contact with your covered auto.
2. \$100 in all other cases.

#### LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for Underinsured Motorists Property Damage is our maximum limit of liability for all property damage sustained in any one accident.

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- B. Any amounts otherwise payable for damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of property damage caused by an accident shall be reduced by all sums payable because of the property damage by or on behalf of persons or organizations who may be legally responsible.

#### OTHER INSURANCE

With respect to an auto or property contained in an auto:

1. If there is other applicable similar insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.
2. For any property damage to which the Collision Coverage of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:
  - a. neither one by itself is sufficient to cover the loss; and
  - b. you will not recover more than the actual damages, less the applicable deductible.
3. With respect to all other property, this coverage shall be excess over any other collectible insurance.

#### ARBITRATION

- A. If we and an insured disagree whether that person is legally entitled to recover damages from the owner or operator of an underinsured motor vehicle or do not agree as to the amount of damages, the dispute shall be resolved by arbitration. Both parties must agree to arbitration.
1. The parties may agree to a single arbitrator. A decision by the arbitrator will be binding.
  2. If the parties cannot agree on a single arbitrator, each will select an independent representative, who will then select a single arbitrator. The parties may then proceed with the single arbitrator by agreement. A decision by the arbitrator will be binding.
  3. If the representatives cannot agree on a single arbitrator within 30 days or the parties do not agree on the arbitrator selected, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a court having

jurisdiction. A decision by two of the three arbitrators will be binding.

- B. Unless both parties agree otherwise, arbitration will take place within the county and state in which the insured lives. Local rules of law as to procedure and evidence will apply. Each party will pay the expenses it incurs, except we will bear the reasonable expenses of the arbitrator(s) and any statutory costs actually incurred by the insured.

#### TOWING AND LABOR COSTS COVERAGE

We will pay reasonable expenses incurred each time your covered auto or a non-owned auto is disabled, for:

1. Towing to the nearest place where necessary repairs can be made during regular business hours if it will not run;
2. Towing it out if it is stuck on or next to a public street or highway;
3. Mechanical labor up to one hour at the place of its breakdown;
4. Change of tire; or
5. Delivery of gasoline, oil or loaned battery. We do not pay the cost of these items.

#### LOSS OF USE COVERAGE

The provisions and exclusions that apply to Part D — Coverage for Damage to Your Auto also apply to this coverage except as changed below:

When there is a loss to any vehicle described in the Declarations for which a specific premium charge indicates that Loss of Use is afforded, we will reimburse you for expenses you incur to rent a substitute auto.

This coverage applies only if:

1. The auto is withdrawn from use for more than 24 hours;
2. The loss is caused by collision, or is covered by the Comprehensive Coverage of this policy; and
3. The loss exceeds the appropriate collision or comprehensive deductible applying to the auto.

However, this coverage does not apply to losses caused by collision if Collision Coverage does not apply to the auto.

Our payment will be limited to that period of time reasonably required to repair or replace the auto. We will pay up to the amount per day and the maximum shown for Loss of Use in the Declarations.

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This policy has been signed by our President and Secretary.



Michael LaRocco, President



Stephanie Daley-Watson, Secretary

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